B5000-5

news from Korn/Ferry International

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SENIOR EXECUTIVE RECRUITING OFF 11 PERCENT FOR PAST NINE MONTHS

NEW YORK, November 1, 1990 -- Senior executive hiring dipped 11 percent in the first nine months of 1990, according to the 75th National Index of Executive Vacancies, a report released today by Korn/Ferry International. Third quarter hiring levels were flat, but follow a dip of 18 percent in the second quarter, compared with a year ago.

"We did not experience the drop in hiring that the economic climate had led us to expect in the third quarter," said Lester B. Korn, Chairman of Korn/Ferry. "But the low level of current activity indicates a sharp reduction in executive demand as the year draws to a close."

Korn continued, "The very real threat of recession, combined with inflationary pressures, has spawned innumerable hiring freezes this year. Heavy debt obligations, higher costs and sluggish demand are putting the squeeze on profit margins and, in most industries, only absolutely essential personnel are being brought on."

The percentage of CEOs recruited climbed steadily during the year to reach near record levels of 16 percent in the third quarter, according to the Korn/Ferry Index. "Uncertain times require strong

leadership," said Korn, "and executive search is now concentrated on senior-most levels of the corporation."

Demand for general managers remains a strong 38 percent of total, but is down from the record levels set earlier in the year.

Manufacturing, Engineering Recruiting Off Again

The demand for manufacturing managers (including engineering, R&D and technology executives) represented only seven percent of total executive demand in the third quarter, down from 11 percent last year. "The already weakened manufacturing sector will be hit even harder by the increase in the price of oil," observed Korn. "Continued neglect of basic manufacturing now -- from a human resources point of view -- could lead to hobbling our industrial base for years to come. We will have no one in the pipeline who can provide the kind of enlightened and experienced manufacturing expertise necessary to compete effectively."

Financial Services, Real Estate Hiring Slows

Plagued by new rounds of layoffs and a nervous market, Wall Street hiring fell from 19 percent to 16 percent in the third quarter. Most financial hiring, according to the Index, was related to turnaround and workout situations. And a troubled real estate industry saw its share of executive recruiting fall from an already low six percent to only two percent. By way of contrast, 10 years ago, real estate hiring commanded a 12 percent share of total national executive demand. Hiring also slipped in the high technology and defense sector, from 12 percent to 10 percent of demand.

But Korn said that there were encouraging developments in recruiting in other areas, most notably health care, retailing, the hospitality/leisure and entertainment industries, and the not-for-profit sector. "Retailers are still going after hot marketing and merchandising talent, especially in the area of specialty stores. Health care continues to be a growth industry, where the combination of clinical and business skills is much in demand and competition for experienced medical managers is keen."

The entertainment and hospitality industries are continuing to experience growth and are actively recruiting senior executives primarily because they are making the push into global markets. International marketing executives and regional and country managers are the most common positions being filled.

Regional Differences

Hiring was stable on the East and West Coasts, at 33 percent and 31 percent respectively, of total national demand. A slight drop was reported for the Midwest, from 16 percent to 13 percent, due primarily to the slowdown in manufacturing hiring.

The Southeast saw an increase in its share of executive demand, up from nine to 15 percent. Korn said that successful diversification was responsible for the growth, which includes industries such as financial services, high technology and consumer products. In the Southwest, hiring fell from 11 to eight percent, although activity in oil and gas exploration is likely to push that figure up in the months to come.

750 Companies Surveyed

The National Index of Executive Vacancies is based on a quarterly survey of 750 Korn/Ferry International clients who are among the nation's largest corporations and non-profit organizations, including government agencies, universities and cultural institutions. The Index records the hiring of senior executives earning $100,000 or more annually.

Korn/Ferry International

Headquartered in New York and Los Angeles, Korn/Ferry International specializes in management searches at the senior level. The firm maintains 41 offices in key business centers throughout North America, Latin America, Europe, Asia/Pacific and Australia.

* * *

NATIONAL INDEX OF EXECUTIVE VACANCIES--INDUSTRY*

	3rd Q 1990 %	3rd Q 1989 %
Agriculture/Natural Resources/Energy	2	2
Chemical and Related Products	3	11
Technology (Electronics, Computers, Software, Defense, Telecommunications)	10	12
Machinery, Manufactured Products	11	9
Consumer Products (not elsewhere classified)	7	5
Transportation, Utilities, Communications	6	8
Wholesale and Retail Distribution	9	6
Financial Services (Banking, Brokerage Insurance)	16	19
Real Estate, Building, Construction	2	6
Health Care	12	10
Not-for-Profit, Government, Associations, Education	13	5
Hospitality/Leisure, Entertainment	6	3
Miscellaneous Professional Services	3	4
Total	100%	100%

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NATIONAL INDEX OF EXECUTIVE VACANCIES--FUNCTIONS*

	3rd Q 1990 %	3rd Q 1989 %
Board Level	2	1
Chief Executive Officer	16	15
General Management	38	37
Finance and Control	10	11
Human Resources and Administration	6	7
Information Systems	3	1
Manufacturing, Engineering, R & D, Technology	7	11
Marketing and Sales/Advertising and PR	18	17
Total	100%	100%

NATIONAL INDEX OF EXECUTIVE VACANCIES--REGION*

	3rd Q 1990 %	3rd Q 1989 %
East	33	33
West	31	31
Midwest	13	16
Southeast	15	9
Southwest	8	11
Total	100%	100%

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news from Korn/Ferry International

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U.S. Executive Recruiting Down 17 Percent Over Past Year

Record Demand for CEOs Shows That There's Room at the Top

NEW YORK, January 16, 1991 -- The demand for senior executives in American corporations fell by 17 percent in 1990, according to the 76th *National Index of Executive Vacancies*, a quarterly report released today by Korn/Ferry International. Executive hiring levels were down in the first and second quarters. Third quarter volume remained the same as the year before, but fourth quarter demand for top managers fell a record 19 percent, the steepest single quarter drop in the 19-year history of the Korn/Ferry Index.

"For the first half of the year, the problem was sluggish growth," said Lester B. Korn, Chairman of Korn/Ferry. "Poor growth has now been compounded by full-blown crises in a number of key industries, the recognition that the economy is in a recession and all the tremendous uncertainties brought on by the Gulf crisis and the price of oil."

Korn continued, "Companies that were already skeptical and resigned to a slow-growth as a 'best case scenario' nine months ago have really pulled back during the last three months. The much hoped-for 'soft landing' is turning out to be a little bumpier than anticipated."

Korn, who last summer predicted a sharp reduction in executive demand by year's end, sees little improvement on the horizon for the near term. "I would expect more layoffs and hiring freezes before things begin to pick up again. Historically, it has taken the economy about a year to work through a recession from peak to trough. From where we stand right now, I would say that's an optimistic estimate."

More CEOs Sought

Despite fears of recession and general pessimism about the direction of the economy -- or perhaps *because* of them -- the demand for CEOs rose and average CEO compensation increased 10 to 15 percent for the year. Korn said that as many companies are slashing costs and cutting staff to the bone, the quest for first-rate leadership at the top is intensifying. "Shareholders are placing a great deal of pressure on companies to hold the line and protect profits in these times of transition. Directors are well aware that changing times present the greatest opportunities to increase market share. And putting in a new, stronger CEO is one way of getting the job done."

Korn also observed that with the squeeze in profits continuing, companies can be expected to target new, upper echelon management muscle in the finance and control and marketing functions.

Finance and Real Estate are Hard Hit

The financial services industry, which many say epitomized the excesses of the 1980s, is now in a state of disarray. After the S&L debacle and amid signs that the crisis is threatening to spread to commercial banking, thousands of managerial positions have been eliminated.

In real estate, heavily overbuilt commercial markets are forcing developers to default. Analysts estimate that, in many markets, a 10-year supply of vacant office space is effectively stifling the demand for new projects. Even in those few markets which have absorbed the recent production, construction financing is hard to come by because of the plight of the lenders. Consequently, neither developers nor building contractors are now hiring. Other hard-hit industries include high technology and electronics, retailing and, business services.

Health Care, Education and Entertainment Recruiting Remain Strong

The health care industry was virtually alone in experiencing growth in executive hiring in the last quarter. "Nearly every aspect of the health care delivery system from

institutional organization to financing, technology and, even the doctor/patient relationship has undergone profound change," Korn said. "Controlling operating costs has become more important than ever. There is enormous demand for executives who can bring 'bottom line' skills to an industry whose costs have, at times, escalated by two to three times the rate of inflation."

Hiring is also strong in the education and not-for-profit sectors. Institutions of higher learning are recruiting both at the presidential level and in the finance function. Executive directors and seasoned fund raisers are still much in demand with foundations and not-for-profit organizations.

Another sector that has not reduced its demand for senior executives is the entertainment industry. Thanks to recent consolidations and acquisitions and the continued successful penetration of world markets, entertainment conglomerates are hiring briskly, most notably in the areas of international marketing and sales and, general management.

Regional Picture

The Northeast, which saw its share of national executive demand fall from 40 percent in 1989 to 32 percent in 1990, has been the most hard hit by the current wave of retrenchments. Korn predicts that the slowdowns currently underway in the West and Southwest will contribute to a significant reduction in the demand for senior executives in those regions, as well.

The executive employment picture in the Midwest has proven to be rosier than many have predicted. As the effects of the recession work their way through the far-flung network of auto industry suppliers, some layoffs are expected. "Since the region did not fully participate in the remarkable boom enjoyed on the East and West Coasts, the so-called 'Rust Belt' is likely to face less belt tightening than other areas," observed Korn. The Southeast also appears to be on a steadier course, although states, like Florida and North Carolina, that have experienced strong recent growth may suffer more noticeable setbacks.

International Hiring Grows

According to the Korn/Ferry Index, the volume of executive demand worldwide, outside of the U.S., grew six percent in 1990. While Britain, Canada and Australia all appear to be in recession and are experiencing adversities similar to those of the United States, considerable portions of Europe, Asia and Latin America report steady to growing demand for senior executives.

In Western Europe, executive functions deemed indispensable to operating in the increasingly competitive environment, such as finance and control, general management and information systems, are very much in demand. The food, financial services, communications and high technology industries are exhibiting vigorous demand for top-level executives in several EEC nations.

In the Pacific Basin, marketing and sales talent is being heavily recruited by multinational and would-be multinational corporations. Latin America remains active in senior hiring in financial services and the major multinational companies including chemical, food and manufacturing sectors, as well as in business and professional services, especially in finance and control, and marketing and sales.

The strong demand for executives in Europe, the Pacific Rim and Latin America in such fields as finance and manufacturing contrasts sharply with the current requirements of these sectors for executives in the United States.

750 Companies Surveyed

The *National Index of Executive Vacancies* is based on a quarterly survey of 750 Korn/Ferry clients, which are among the nation's largest corporations and non-profit organizations, including government agencies, universities and cultural institutions. The Index records the hiring of senior executives earning $100,000 or more annually.

Korn/Ferry International

Headquartered in New York and Los Angeles, Korn/Ferry International specializes in management searches at the senior level. The firm maintains 41 offices

in key business centers throughout North America, Latin America, Europe, Asia/Pacific and Australia.

NATIONAL INDEX OF EXECUTIVE VACANCIES BY INDUSTRY

	4th Qtr 1990	4th Qtr 1989	Year End 1990	Year End 1989
Agriculture/Natural Resources/Energy	1%	3%	2%	2%
Chemical & Related Products	4%	14%	5%	8%
Technology (Electronics, Computers, Software, Defense, Telecommunications	8%	8%	10%	11%
Machinery, Manufactured Products	12%	9%	11%	10%
Consumer Products (not elsewhere classified)	8%	6%	6%	6%
Transportation, Utilities, Communications	10%	9%	10%	8%
Wholesale & Retail Distribution	4%	7%	6%	7%
Financial Services (Banking, Brokerage, Insurance)	15%	14%	16%	18%
Real Estate, Building, Construction	2%	5%	3%	6%
Health Care	17%	6%	12%	7%
Not-for Profit, Government, Associations, Education	11%	9%	10%	8%
Hospitality/Leisure, Entertainment	4%	4%	5%	4%
Misc. Professional Services	4%	5%	4%	4%
Other	--	1%	--	1%
TOTAL	100%	100%	100%	100%

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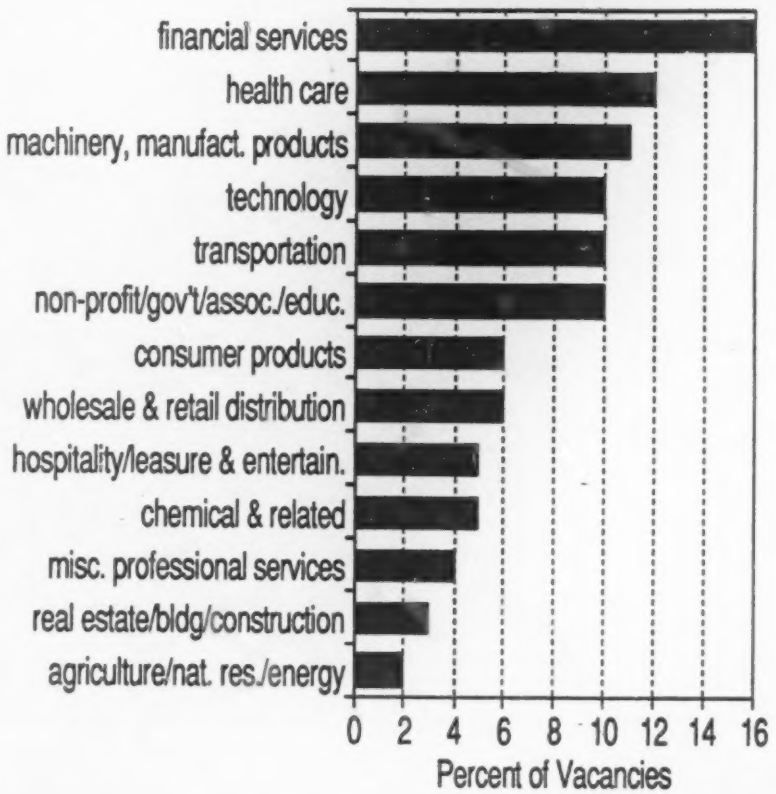
National Index of Executive Vacancies

1990 By Industry



NATIONAL INDEX OF EXECUTIVE VACANCIES BY FUNCTION

	4th Quarter 1990	4th Quarter 1989	Year End 1990	Year End 1989
Board Level	2%	1%	2%	1%
Chief Executive Officer	16%	15%	15%	14%
General Management	44%	45%	43%	39%
Finance & Control	7%	9%	9%	11%
Human Resources & Administration	7%	5%	6%	7%
Information Systems	3%	1%	3%	2%
Manufacturing, Engineering, R & D, Technology	7%	9%	7%	10%
Marketing & Sales/Advertising & Public Relations	14%	15%	15%	16%
TOTAL	100%	100%	100%	100%

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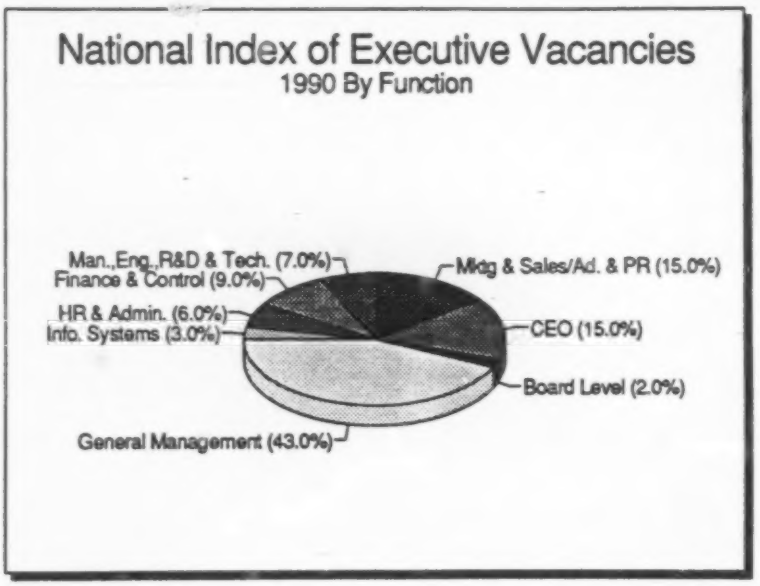

NATIONAL INDEX OF EXECUTIVE VACANCIES BY REGION

	4th Quarter 1990	4th Quarter 1989	Year End 1990	Year End 1989
East	32%	40%	35%	34%
West	32%	23%	32%	29%
Midwest	12%	17%	14%	17%
Southeast	16%	13%	12%	10%
Southwest	8%	7%	7%	10%
TOTAL	100%	100%	100%	100%

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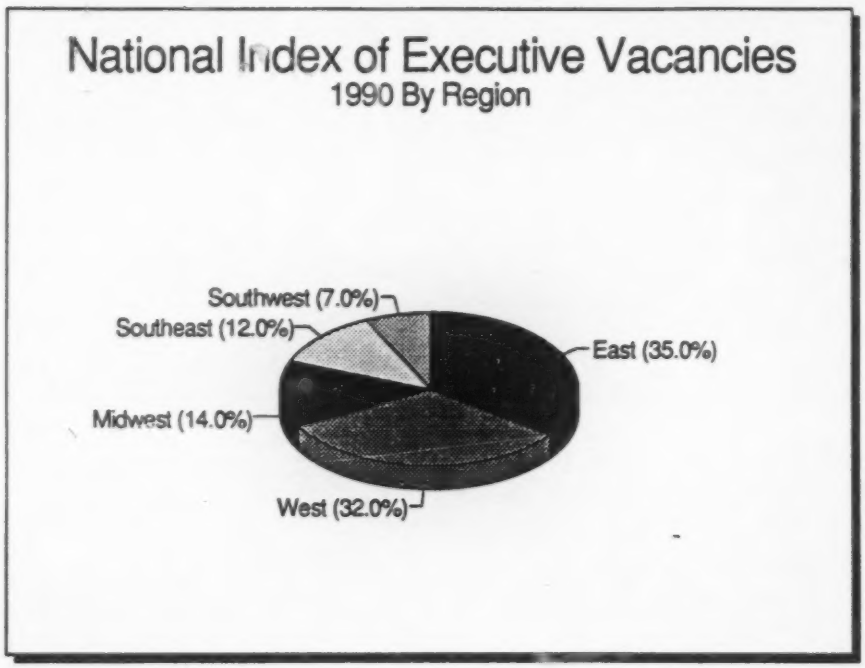

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news from Korn/Ferry International

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Senior Executive Hiring Drops 23 Percent In First Quarter

Demand Remains Strong in Health Care, Education and Entertainment Industries

NEW YORK, May 8, 1991 -- The demand for senior executives in American corporations dropped 23 percent in the first quarter of 1991, according to the 77th *National Index of Executive Vacancies*, a quarterly report released today by Korn/Ferry International. Worldwide demand for senior executives declined by 17 percent.

"Disconcerting economic indicators and the initial uncertainty caused by events in the Persian Gulf caused many companies to put their hiring needs on hold for the duration. Fortunately, the war was won in a few days and consumer confidence has rebounded sharply. While it will take more than a can-do attitude to turn the economy around, there are signs that the business climate is improving in a number of key industries," said Lester B. Korn, Chairman of Korn/Ferry. "Investors have been bidding stocks and the dollar higher. Interest rates are coming down, and consumers are returning to the housing market. Renewed confidence and increased economic activity takes time to ripple through the economy, but the process apparently has begun."

"The loss of consumer confidence last August proved to be contagious. Companies cut their inventories at the sharpest rate in years and both manufacturers and service sector firms were quick to lay off workers. As a result, many firms are in the process of reviewing their current executive head count and are finding it to be inadequate in light of the anticipated recovery," Korn said.

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Demand for CEOs and Outside Directors Remains High

Decreased executive demand was most acutely felt in the general management area while CEO and outside board positions made significant proportionate gains in overall demand. As in past economic downturns, CFOs also remained highly sought after.

"Corporate America understands that difficult times necessitate sacrifice and cost-cutting, but it also knows that economizing on top management is penny wise and pound foolish. All competent executives can earn their keep during good years; only the best can help a company prosper during lean times," said Korn.

Industry Hiring Picture

Financial services continue to account for the largest share of executive recruiting with 15 percent of total, but its "market share" of executive demand is eroding. In the first quarter of 1991, financial services accounted for only two percent more demand than did the health care and not-for-profit categories. Only one year earlier, financial services accounted for 19 percent of total demand -- a full eight percentage points more than the industry then in second place.

"The number of senior executives required by firms providing financial services is not the only observable change. The *types* of executives now in demand have changed as well. Increased foreclosures have heightened the demand for executives experienced in asset management and sales, while regulatory concerns have increased demand for financial control officers and chief auditors," said Korn.

The health care and the not-for-profit sectors each now command 13 percent of national executive demand. Much of the dramatic growth in the health care industry has been reported on in the past. The need for health care executives is continuing to increase incrementally. The not-for-profit sector, which includes government, associations, and education has, in the last quarter, more than doubled its proportionate share of executive demand from six percent in the first quarter of 1990 to 13 percent in the first quarter of 1991. Increased hiring in the not-for-profit sector was fueled, in large part, by the growth in demand for education executives.

"Senior management requirements plunged in the real estate, professional services, and chemical sectors, each for somewhat different reasons. The overall demand for commercial real estate is closely related to the level of employment. Professional services perform best during economic expansions, and chemical industry hiring peaks when manufacturers gear up," said Korn. "Inventories are low, production is on the upswing, and the chemical industry will be a likely beneficiary. Hiring in the real estate industry is hampered by high unemployment rates, and localized credit crunches as a result of the problems facing lenders," Korn observed.

The Regional Picture

The East and the West coasts both saw their share of executive demand decline in the first quarter. The East went from 37 percent of national demand to 33 percent; the West dropped from 31 percent to 28 percent.

The most precipitous gain in relative executive demand was experienced in the Southwest, which now accounts for 11 percent of executive vacancies up from only five percent in the first quarter of 1990. The Midwest and Southeast experienced little change in their relative demand.

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Industry	First Quarter 1991	First Quarter 1990
Agriculture/Natural Resources/Energy	4%	3%
Chemical & Related Products	5%	10%
Technology (Electronics, Computers, Software, Defense, Telecommunications)	11%	9%
Machinery, Manufactured Products	9%	9%
Consumer Products (not elsewhere classified)	6%	4%
Transportation, Utilities, Communications	8%	9%
Wholesale & Retail Distribution	4%	4%
Financial Services (Banking, Brokerage, Insurance)	15%	19%
Real Estate, Building, Construction	2%	4%
Health Care	13%	11%
Not-for-profit, Government, Associations, Education	13%	6%
Hospitality/Leisure, Entertainment	6%	4%
Miscellaneous Professional Services	4%	7%
Other	---	1%
TOTAL	100%	100%

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NATIONAL INDEX OF EXECUTIVE VACANCIES BY FUNCTION

Function	First Quarter 1991	First Quarter 1990
Board Level	2%	1%
Chief Executive Officer	23%	14%
General Management	34%	50%
Finance & Control	12%	7%
Human Resources & Administration	6%	5%
Information Systems	2%	2%
Manufacturing, Engineering, R & D, Technology	6%	7%
Marketing & Sales, Advertising & Public Relations	15%	13%
TOTAL	100%	100%

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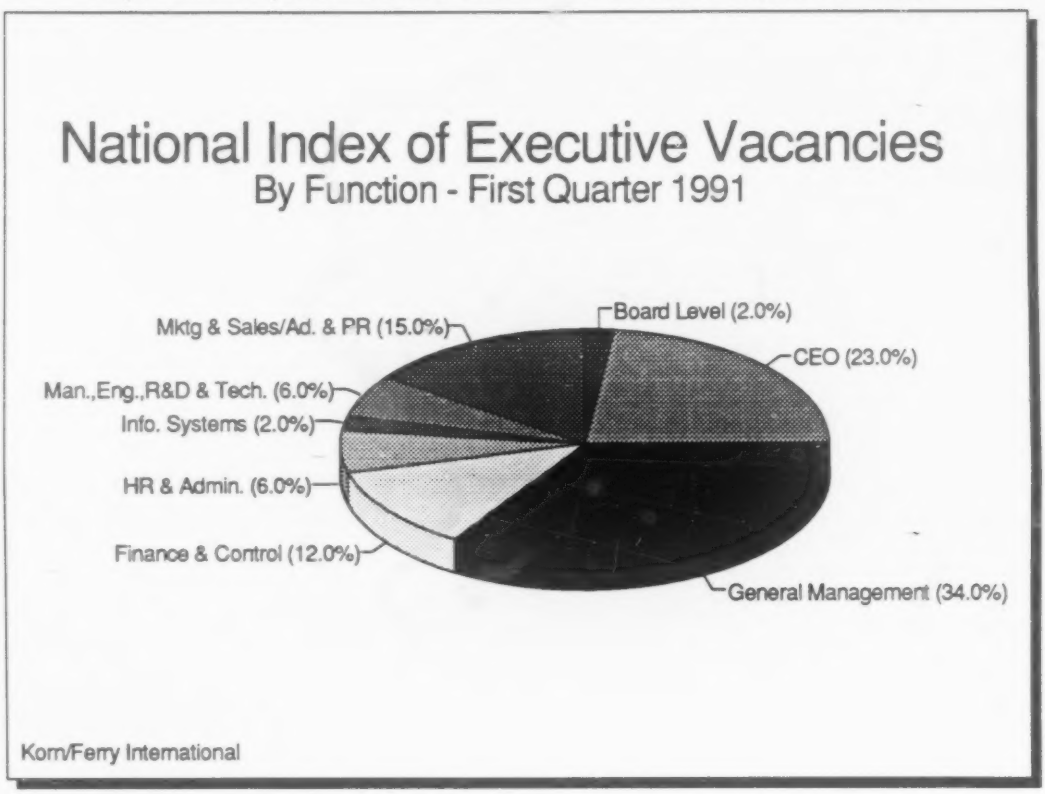

NATIONAL INDEX OF EXECUTIVE VACANCIES BY REGION

Region	First Quarter 1991	First Quarter 1990
East	33%	37%
West	28%	31%
Midwest	14%	15%
Southeast	14%	12%
Southwest	11%	5%
TOTAL	100%	100%

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